

19 January 1970

MEMORANDUM FOR: [REDACTED]

Deputy Chief, DDS Plan Staff

SUBJECT : Legislation of Suggestion Awards System

1. Following our conversation concerning [REDACTED] memorandum of 31 December 1969 about tax exemption for incentive award payments, I talked to Bob Wattles.

2. As you may know, Mr. Wattles has been advocating for some time that tax exemption be provided for incentive award payments. Although a minor matter, it is one that has caused continuing annoyance for the Office of Personnel. He would recommend such legislation and Agency support of such legislation in an appropriate instance.

3. Unfortunately the information [REDACTED] had received related to a bill that would provide an increase of personal exemption from \$600 to \$800 and does not relate to incentive award payments. Legislation has been introduced in the House of Representatives to provide tax exemption for incentive award payments, but has received no consideration by the House Ways and Means Committee, and at present there is little prospect for early consideration.

4. If there is further action your office would like us to take on this matter, would you please advise.

157
[REDACTED]
Assistant Legislative Counsel

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OLC/JGO:sml (19 Jan '70)

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ROUTING AND RECORD SHEET

SUBJECT: (Optional)

FROM:

NPIC/O/Dir

6N 212

EXTENSION

NO.

DATE

31 DEC 1969

STATINTL

TO: (Officer designation, room number, and building)

DATE

RECEIVED

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OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. Legislative Counsel
7D 43 Hdqs.

Jm

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Mr. Updell

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NPIC/D-345-69

31 DEC 1969

MEMORANDUM FOR: Legislative Counsel

SUBJECT : Legislation on Suggestion Awards System

1. It has come to my attention that a bill is pending in Congress which will amend the Internal Revenue Code to provide a tax exempt status to money earned from suggestion awards. The bill is identified as H.R. 12182 and currently is under consideration in Senator Russell Long's Finance Committee.

2. We here at NPIC are strong believers in the Suggestion Awards system and feel that this bill will be a positive step forward in encouraging the Suggestion Awards program. In FY 1969, Center employees were awarded \$1,855 for their suggestions which resulted in tangible savings of \$28,535. From these awards an estimated \$465 was deducted for state and federal income taxes. I believe it makes good sense to put these awards on a tax exempt basis.

3. I suggest that the Agency put itself officially on record in support of this legislation.



Executive Director
National Photographic Interpretation Center

cc: DDI

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